

December 1, 2009 - Murtha Testifies in Support of American Oil Country Tubular Goods

WASHINGTON, D.C. -- Congressman

John P. Murtha, Chairman of the House Appropriations Subcommittee on Defense, testified this morning at the International Trade Commission's (ITC) hearing on countervailing duty and antidumping investigations on oil country tubular goods from China. The following is a copy of his statement:

International Trade Commission

Hearing on
Countervailing Duty and Antidumping Investigations on Oil Country Tubular Goods
from China

December 1, 2009

Statement of Congressman
John P. Murtha

Chairman Aranoff and Members of the Commission, I appreciate the opportunity to testify here today regarding the ongoing countervailing duty and antidumping investigations on certain oil country tubular goods ("OCTG") from China.

These investigations have far-reaching ramifications — they are critical not only to the men and women in our domestic OCTG industry, but also, in a broader sense, to our entire economy.

Like many communities across the Great Lakes region, we saw firsthand the disastrous effects of steel dumping. The 1977 Johnstown Flood was a blow to our economy, but it was the flood of steel imports in the 1980s that caused far greater damage and an unemployment rate of 24 percent.

Mr.

Chairman, this panel can send a message not only to Chinese OCTG producers, but to the entire global manufacturing community, that it is their turn to adapt. If they want to survive, they too will have to make the investments and sacrifices required to do so. No longer will their survival be based on government subsidies and the dumping of their products in violation of international agreements, all at the expense of American industries that play by the rules.

As you are aware, the U.S. Department of Commerce has already issued determinations that support trade relief here. In its final countervailing duty (CVD) determination issued just weeks ago, it found that Chinese producers have benefited significantly from subsidies. In its preliminary antidumping determination, the Commerce Department found that OCTG from China has been subsidized at rates ranging from 11 to 31 percent. The facts are clear – Chinese OCTG producers are engaging in unfair trade practices.

I am hopeful that this panel will recognize that these unfairly traded imports have caused, and will continue to cause, significant damage to the U.S. steel industry. The evidence is in the widespread shutdowns and layoffs at U.S. steel mills across our nation. Most disturbing, perhaps, is that the worst is yet to come. While Chinese OCTG imports have more than tripled from 2006 to 2008, resulting in a massive buildup in inventory, the Chinese industry is poised to ramp up production even further. In fact, China's OCTG capacity is nearly eight times greater than U.S. consumption – and the U.S. is the largest market for OCTG in the world. Moreover, China continues to build significant volumes of new OCTG capacity.

Mr. Chairman, this panel must fully enforce U.S. trade laws to ensure that foreign producers are not permitted to further harm our domestic steel industry and workers. You have an opportunity to send a message that America will not only adhere to, but enforce, the fair trade rules that have been developed by the international community.

Again, I thank you for the opportunity to speak to you today, and I would be happy to respond to any questions you may have.

#